



STRENGTHENING PRODUCT QUALITY AS A BASIC PRINCIPLE IN BUSINESS

Siti Rodiah

Universitas Sultan Ageng Tirtayasa, Banten

Email: sitirodiah1988@gmail.com

ABSTRAK

Kualitas merupakan jaminan atas eksistensi bisnis, bahkan mutu menjadi syarat utama dalam perencanaan strategis jangka panjang. Pasalnya, mutu atau kualitas adalah nilai yang dibutuhkan konsumen, dan sebagai timbal baliknya, konsumen akan selalu membeli produk atau jasa yang dijual. Pada prinsipnya, penelitian ini berfokus pada kajian kualitas produk yang berimplikasi pada loyalitas dengan kepuasan sebagai intervening. Metode ilmiah yang digunakan di dalam mendeskripsikan, menginterpretasikan, dan pengambilan kesimpulan adalah berbasis kuantitatif. Adapun teknik analisis menggunakan statistik regresi linear berganda, yang dalam operasionalisasinya menggunakan data hasil sebaran kuesioner. Pengambilan sampel dilakukan secara acak sederhana kepada 97 konsumen PT. Kobe Boga Utama. Hasil penelitian menjelaskan, bahwa kualitas suatu produk mempengaruhi emosional konsumen, yang kemudian lahir perasaan senang atau puas, dari perasaan positif tersebut, terbangun pengalaman yang mengarahkan konsumen untuk selalu melakukan pembelian secara berulang. Menariknya, dalam hasil penelitian menunjukkan, bahwa loyalitas sangat mungkin terjadi jika kepuasan dibangun melalui kualitas produk.

Kata Kunci: Mutu Produk, Kepuasan, Loyalitas, Fundamental Bisnis

ABSTRACT

Quality is a guarantee for the existence of a business, even quality is the main requirement in long-term strategic planning. The reason is, quality or quality is the value that consumers need, and in return, consumers will always buy the product or service being sold. In principle, this research focuses on the study of product quality which has implications for loyalty with satisfaction as an intervening. The scientific method used in describing, interpreting, and drawing conclusions is based on quantitative. The analysis technique uses multiple linear regression statistics, which in its operation uses data from the distribution of questionnaires. Sampling was done at simple random to 97 consumers of PT. Kobe Main Cuisine. The results of the study explain that the quality of a product affects consumers' emotions, which then results in feelings of pleasure or satisfaction, from these positive feelings, an experience is built that directs consumers to always make repeated purchases. Interestingly, the research results show that loyalty is very likely to occur if satisfaction is built through product quality.

Keywords: Product Quality, Satisfaction, Loyalty, Business Fundamentals

I. INTRODUCTION

Economic conditions in the current era of globalization make business competition increasingly sharp, both domestic and global markets. Even though customers are still there, their purchasing power is increasingly limited, as a result, customers are becoming more critical in making purchases of the products they need. In these circumstances encourage every company to work more professionally in order to remain competitive and survive, every company must be able to attract customers by offering quality products accompanied by good service as well. A company will be successful if it prioritizes satisfaction for its customers.

Customer satisfaction is one of the determinants of the company's success, besides that customer satisfaction can be a competitive tool for a company in dealing with its



competitors. In other words, satisfaction is the customer's response to the fulfillment of needs, which means that the customer's assessment of the goods or services provides a level of comfort associated with the fulfillment of a need, including the fulfillment of needs that do not meet expectations or fulfillment that exceeds customer expectations.

It is hoped that with customer satisfaction, it can improve the survival of a company and be able to generate profits. Because a company that is able to satisfy the needs of its customers but is unable to generate profits, it is unlikely that it will survive and thrive.

PT. Kobe Boga Utama with its superior product Kobe Seasoned Flour is one of the brands of seasoned flour that is currently much favored by customers because of its practicality, good taste and affordable price, but in reality the current condition of customer satisfaction is far from expected. Many customers are disappointed with this seasoned flour product, there are customers who get seasoned flour that has expired so it is not worth eating, and the prices offered are currently increasing which of course has a very bad impact for middle to lower customers.

In determining customer satisfaction there are factors that must be considered by the company According to Hoe & Mansori [1], including product quality, price, *service quality*, *emotional factor*, cost and convenience. Of all the factors that have been mentioned, there are two dominant factors in causing an increase or decrease in customer satisfaction, namely product quality and price, because with product quality customers will feel satisfied if the products they use are of high quality, and with relatively low prices will provide higher value of satisfaction to customers.

Product quality according to Cetin [2] is the overall characteristics and of a product or service on the ability to satisfy stated / implied needs. Products have important meaning for companies because without products, companies will not be able to do anything from their business. Buyers will buy products if they feel suitable, therefore products must be adjusted to the wishes or needs of buyers so that product marketing is successful. In other words, the manufacture of products is better oriented to market desires or customer tastes.

In line with the explanation above, PT Kobe Boga Utama realizes that customer satisfaction is the most important thing in the marketing chain, therefore presenting quality products is a challenge for PT Kobe Boga Utama in order to create customer satisfaction. However, in practice, PT Kobe Boga Utama realizes that the large population or people of Indonesia certainly have very diverse characteristics, so PT Kobe Boga Utama's efforts need to continue to improve the quality of its products, either with differentiation or innovation strategies.

Chang, H. H., Wang, Y. H., & Yang [3] suggest from a theoretical and empirical point of view that product quality can affect satisfaction which has implications for loyalty and trust. Meanwhile, according to Canalejo & del Río [4] and Mahamad & Ramayah [5] satisfaction has a significant effect on satisfaction.

Meesala & Paul [6] and Albari & Kartikasari [7] suggest that in general consumer interest in a product and service is quality. So it's not surprising that many consumers are willing to spend a lot of money to get quality, however, other factors are still being built such as promotions, pricing strategies, location and so on.



II. THEORY BASIS

For companies, presenting quality is fundamental. That is, quality is the first thing that is conceptualized to win the competition. In addition, quality is the meeting point between consumer needs and company goals. In other words, companies that win the competition are companies that consistently provide quality for customers, so customers will give their money, trust, loyalty, and commitment because they are satisfied.

If the thread of the equation is drawn, it will find the essence of the main equation, namely hope, and hope will only be fulfilled by satisfaction, while satisfaction itself will only occur if there is quality. So, fundamentally and historically quality is presented as a tool to give birth to satisfaction, and from that satisfaction the company can form a certain pattern of consumption behavior or what is called dependence.

In fact, quality (both product quality and service quality) is proven to provide consumer/customer satisfaction according to Diputra & Yasa [8]. In addition, quality has an influence on the company's marketing performance or performance, although not directly and or not significantly.

Quality in language means: 1) the level of good or bad something; rate. 2) degree or level (intelligence, skill, etc.); quality. The affirmation of this understanding is that quality is not only a matter of the value and benefits attached to a product or service being sold, but how consumers or customers perceive the use/use of a particular service or product that provides value or benefits. Precisely consumers assess the quality of a product or service.

According to Kasiri, Cheng, Sambasivan, & Sidin [9] products are goods while services are services, meaning that both are commodities that are created or produced to meet consumer needs/wants. Furthermore, Mohd Suki [10] suggest that product quality is related to the functional ability of a product that produces benefits for its users. Generally, product quality refers to product strength (reliability), convenience (resulting in effectiveness), improvement (meaning the product can be renewed so as to reduce costs), and other values that provide benefits.

According to Rashid & Rokade [11] satisfaction is defined as the consumer's response to the performance of a product or service, whether it can meet the needs plus expectations and added desires. Consumer satisfaction can at least be known by 3 indicators, namely the fulfillment of needs, the fulfillment of expectations, and the fulfillment of desires.

According to Chen & Tsai [12] loyalty is a continuous buying behavior. Meanwhile, according to Gumussoy & Koseoglu [13] loyalty refers to repeat purchase behavior and the desire to promote such as recommending or inviting or giving testimonials.

Based on the explanation above, it can be stated that the first thing the company must have is product quality, by combining various other marketing strategies, then the company assesses the extent to which customer satisfaction is formed with the current quality level, then the company conducts an evaluation that gives birth to recommendations for improvement in the form of creativity (differentiation/modification) and innovation (newness) [14,15]. It is hoped that this series of efforts can maintain and improve market segmentation and win the competition [16].



III. RESEARCH METHOD

The scope of this research is marketing management with quantitative methods. The quantitative method is a research based on a numerical approach with the aim of testing the established hypothesis. Descriptive statistics are statistics used to analyze data by explaining the description of the data that has been collected as it is or in the original without intending to make conclusions that apply in general. Inferential or verification research is a statistical technique used to answer the proposed hypothesis.

According to Sari, dkk. [17] population is a generalization area consisting of objects or subjects that have certain qualities and characteristics that are determined by researchers to be studied, which are then drawn conclusions. In other words, the population is an object or subject that is in an area and fulfills certain conditions related to the research problem. The population in this study are consumers who make purchases at PT. Kobe Boga Utama with an average number of customers.

The sampling technique used in this study is the *Accidental Sampling*. Sari, dkk. [17] explains that this incidental sampling technique is a sampling based on chance, that is, anyone who coincidentally meets a researcher can be used as a sample, if it is deemed that the person who happened to be met is suitable as a data source.

Guidelines for determining the number of samples in this study refer to the minimum sample size requirements. In this study, the technique of determining the number of samples used the formula from Slovin. Based on the calculations, the number of samples used as respondents in this study amounted to 97 people.

To obtain accurate data in this study using the primary method with a questionnaire instrument with a Likert scale as a measurement parameter. The analysis method used is regression analysis which consists of descriptive test, validity test, reliability test, correlation test, hypothesis testing, and coefficient of determination test.

IV. RESULTS AND DISCUSSION

In the descriptive analysis, several things related to consumer perceptions/responses were stated, including:

1. Consumers perceive the quality of Kobe's products as good, but not yet said to be good. This means that there are many substitute products, even products found in traditional markets. In addition, Kobe is not the main product that consumers use in making food. According to consumers, Kobe products are one of the alternative ingredients for making food. Thus, for consumers the presence or absence of Kobe does not matter, but consumers recognize that the existence of Kobe products makes many choices and makes cooking easier, and that is very helpful.
2. Consumers perceive satisfaction with Kobe products in a good category. What is meant by this, Kobe products help consumers as an alternative, easy to obtain and has a taste that competes with other well-known brands. Consumers judge Kobe's products to be reliable based on their taste and the variety of flavors allows consumers to experiment with various kinds of food.
3. Consumers gave their responses related to loyalty to buy Kobe products with good categories. The point is, that Kobe products are one of the leading products in Indonesia, thus overall have a good level of quality.



In the research instrument test, all statements have a *Cronbach alpha* greater than 0.50 and a reliability value greater than 0.60. This means that the questionnaire submitted is in accordance with the state of the research subject, in accordance with the observed variables and the respondent answers with full responsibility.

The results of the correlation analysis show that; 1) the relationship between product quality and satisfaction and loyalty is strong. 2) however, relationship satisfaction has a great value on loyalty. This means that this finding confirms that the relationship between loyalty and satisfaction is very close, especially if both are built on the basis of product quality. In addition, the results of the regression analysis show:

1. Product quality has a significant effect on consumer satisfaction with a regression coefficient of 0.432. That is, if product quality increases by one unit, then consumer satisfaction increases by 0.432. In theory, this finding explains that a product with good quality can attract the attention of consumers to buy, then consumers get what they expect, thus consumers are satisfied with the product. In essence, product quality can meet the needs or expectations or desires of consumers, and with that consumers are satisfied. This finding is certainly in line with the theory and previous research, so the hypothesis which states that there is an effect of product quality on satisfaction is acceptable. Of course, the meaning of these findings for the industrial world is very important, especially in terms of competition.
2. Product quality has a significant effect on loyalty with a regression coefficient of 0.224. That is, if the quality of the product increases by one unit, then loyalty increases by 0.224. Theoretically, this finding confirms that product quality has an influence on repeat purchase behavior. Many studies have shown that making a profit is easy, but getting customers is difficult. This means that customers have free behavior, but to get them it takes hard work so the company will benefit.
3. Consumer satisfaction has a significant effect on loyalty with a regression coefficient of 0.622. That is, if customer satisfaction increases by one unit, then loyalty increases by 0.622. This finding confirms that the role of satisfaction on loyalty is very high. So, there is no shortcut for companies to make a profit, but by satisfying consumers. In this study, satisfaction is influenced by product quality, therefore the company needs to focus on improving product quality.
4. Product quality and customer satisfaction have a significant effect on loyalty with a contribution value of 0.736. The interesting thing from this finding is that to explain loyalty, efforts are needed to create product quality that has an impact on consumer satisfaction. So it is useless, if the company provides quality but is not right on target, it will not succeed in creating consumer loyalty. Therefore, the purpose of this finding is, companies must really make quality products. This means that products are presented in accordance with consumer needs, products are made according to consumer desires and products sold can meet consumer expectations.

V. CONCLUSIONS

The effect of service quality on satisfaction and loyalty has a meaning; 1) the company must make product quality a top priority in the competition. 2) the company must maintain quality consistency for a long time. 3) companies must keep up with the times (changes in competition, changes in consumption behavior, changes in technology



and information) in improving product quality.

The product quality models that need to be improved are; 1) variations in product quality, meaning that the company creates products of the same type but with different flavors (archipelago flavours, European flavors, oriental flavors, etc.). 2) differentiation, which means creating a new product as a substitute for the main product (creating internal market competition, in order to create a variety of choices/alternatives).

However, there are things to consider before making any product upgrades between them; 1) market characteristics (income level, consumption style, and demographics/consumption habits from the region). 2) market wars. 3) the potential of technology and information in changing consumption procedures or behavior in the future. and 4) domestic (political) conditions.

The suggestions or recommendations for improvement of research results are; to create customer satisfaction and loyalty is to improve product quality through quality variations and product differentiation. However, the company does not ignore the role of each existing marketing management function such as promotion, distribution, facilities and infrastructure and so on.

While the discussion of these findings are; 1) Is quality a fundamental business strategy that determines the company's consistency in the competition? 2) whether quality variation and differentiation (creativity and product innovation) is the right advice in maintaining customer satisfaction and loyalty. 3) what about the financial side, is the quality of the product with the previous suggestions effective and budget efficient?

REFERENCES

- [1] Hoe, L. C., & Mansori, S. (2018). The effects of product quality on customer satisfaction and loyalty: Evidence from Malaysian engineering industry. *International Journal of Industrial Marketing*, 3(1), 20.
- [2] Cetin, G. (2020). Experience vs quality: predicting satisfaction and loyalty in services. *The Service Industries Journal*, 40(15-16), 1167-1182.
- [3] Chang, H. H., Wang, Y. H., & Yang, W. Y. (2009). The impact of e-service quality, customer satisfaction and loyalty on e-marketing: Moderating effect of perceived value. *Total quality management*, 20(4), 423-443.
- [4] Canalejo, A. M. C., & del Río, J. A. J. (2018). Quality, satisfaction and loyalty indices. *Journal of Place Management and Development*.
- [5] Mahamad, O., & Ramayah, T. (2010). Service quality, customer satisfaction and loyalty: A test of mediation. *International business research*, 3(4), 72.
- [6] Meesala, A., & Paul, J. (2018). Service quality, consumer satisfaction and loyalty in hospitals: Thinking for the future. *Journal of Retailing and Consumer Services*, 40, 261-269.
- [7] Albari, A., & Kartikasari, A. (2019). The influence of product quality, service quality and price on customer satisfaction and loyalty. *Asian Journal of Entrepreneurship and Family Business*, 3(1), 49-64.
- [8] Diputra, I. G. A. W., & Yasa, N. N. (2021). The influence of product quality, brand image, brand trust on customer satisfaction and loyalty. *American International Journal of Business Management (AIJBM)*, 4(1), 25-34.
- [9] Kasiri, L. A., Cheng, K. T. G., Sambasivan, M., & Sidin, S. M. (2017). Integration of standardization and customization: Impact on service quality,



- customer satisfaction, and loyalty. *Journal of Retailing and Consumer Services*, 35, 91-97.
- [10] Mohd Suki, N. (2017). Green products usage: structural relationships on customer satisfaction and loyalty. *International Journal of Sustainable Development & World Ecology*, 24(1), 88-95.
- [11] Rashid, A., & Rokade, V. (2019). Service quality influence customer satisfaction and loyalty. *UKH Journal of Social Sciences*, 3(1), 50-61.
- [12] Chen, C. F., & Tsai, M. H. (2008). Perceived value, satisfaction, and loyalty of TV travel product shopping: Involvement as a moderator. *Tourism management*, 29(6), 1166-1171.
- [13] Gumussoy, C. A., & Koseoglu, B. (2016). The effects of service quality, perceived value and price fairness on hotel customers' satisfaction and loyalty. *Journal of Economics, Business and Management*, 4(9), 523-527.
- [14] Joudeh, J. M., & Dandis, A. (2018). Service quality, customer satisfaction and loyalty in an internet service providers. *International Journal of Business and Management*, 13(8), 108-120.
- [15] Yang, K. F., Yang, H. W., Chang, W. Y., & Chien, H. K. (2017, December). The effect of service quality among customer satisfaction, brand loyalty and brand image. In *2017 IEEE international conference on industrial engineering and engineering management (IEEM)* (pp. 2286-2290). IEEE.
- [16] Wantara, P., & Tambrin, M. (2019). The Effect of price and product quality towards customer satisfaction and customer loyalty on madura batik. *International Tourism and Hospitality Journal*, 2(1), 1-9.
- [17] Sari, M., Siswati, T., Suparto, A. A., Ambarsari, I. F., Azizah, N., Safitri, W., & Hasanah, N. (2022). Metodologi penelitian. *Global Eksekutif Teknologi*.